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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

LEA MÁRQUEZ PETERSON - Chairwoman
SANDRA D. KENNEDY
JUSTIN OLSON
ANNA TOVAR
JIM O'CONNOR

APR 28 2022

DOCKETED BY

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In the matter of)

MY TRADER COIN, a.k.a. MTCoin, a.k.a.
mytradercoin.com, a foreign entity,)

NOW MINING, LLC, an Arizona limited
liability company,)

JONATHAN SIFUENTES SAUCEDO, an
individual,)

MARIO E. MAGANA SOSA and Alejandra
Sosa (a.k.a. Juliet Alejandra Roza), husband
and wife,)

MOISES HERRERA, SR. and Yolanda
Herrera, husband and wife,)

CARLOS PARRA and Noahmi Parra,
husband and wife,)

Respondents.)

DOCKET NO. S-21108A-20-0181

DECISION NO. 78525

**ORDER TO CEASE AND DESIST, ORDER
FOR RESTITUTION, ORDER FOR
ADMINISTRATIVE PENALTIES AND
ORDER FOR OTHER AFFIRMATIVE
ACTION**

AGAINST: MY TRADER COIN

On June 19, 2020, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties, and Order for other Affirmative Action (the "Notice") against My Trader Coin, Now Mining, LLC, Jonathan Sifuentes Saucedo, Mario E. Magana Sosa, Moises Herrera Sr., and Carlos Parra.

On March 20, 2021, the Division served a copy of the Notice, upon My Trader Coin, by publication. No request for a hearing or answer to the Notice has been filed as of March 21, 2022.

I.**FINDINGS OF FACT**

1. My Trader Coin ("MTCoin" or "Respondent") is a foreign entity that also transacted business under the names MTCoin and through the website mytradercoin.com. MTCoin was never registered to conduct business in Arizona.

2. MTCoin perpetrated a multilevel-marketing scheme for investments in worthless bitcoin/cryptocurrency companies with the promise of returns over 300% without disclosing the risks associated with cryptocurrency investments or multilevel-marketing businesses. The scheme was targeted to the Hispanic community through several pastors at local Hispanic Christian churches and a Hispanic Christian radio station. Ultimately, the investments turned out to be valueless and nearly all money invested was lost.

3. From March 2017 through November 2017, MTCoin offered and sold at least 174 investments in MTCoin for a total of at least \$1,372,247.

4. These investors received returns totaling \$209,500. Including \$135,300 of restitution paid by Respondent Mario E. Magana Sosa ("Sosa") pursuant to Commission Decision No. 78294 for his role in the unlawful sale of securities to some of these investors.

5. MTCoin started offering and selling these cryptocurrency investments in Arizona in from March 2017 through November 2017.

6. MTCoin purported to take investor funds, pool those funds, and purchase and trade bitcoin or other cryptocurrency. MTCoin would pay investors and make money for itself with profits from its trading activities.

7. MTCoin also represented that it would use its profits and revenues to pay investors for referrals. Investors would receive \$200 for every \$1,000 of investments they brought into MTCoin. MTCoin offered additional incentives for bringing investments and had a six-level rewards system for referrals.

1 8. In materials given to investors, MTCoin stated that “[MTCoin’s] unique investment
2 system analyzes the best opportunities in the market, offering highly profitable investments to our
3 affiliates.” It touted its investments as safe, without disclosing any risks: “My Trader Coin has the
4 appropriate opportunity for those who want to achieve safety and financial independence.”

5 9. Several MTCoin investors received a one-page, MTCoin enrollment form in exchange
6 for their investment. The form showed the amount of money invested and how much the investor
7 was to earn. The earnings were expressed with this formula: “___ x \$12.00 x 300 DAYS/DIAS =
8 \$_____” where the first blank was the number of each \$1,000 account created (e.g. if a person
9 invested \$3,000, the number in the first blank would be “3”). Thus, using this formula, for each
10 \$1,000 invested, the investor was to receive earnings of \$3,600.

11 10. MTCoin, through its representatives and salesmen, offered and sold MTCoin
12 investments in Arizona by broadcasting on KASA Radio—a Phoenix based, Christian radio station
13 that broadcasts primarily in Spanish—and by doing presentations at offices, KASA Radio, hotels,
14 restaurants and in individual meetings with offerees and investors.

15 11. In these advertisements and presentations, MTCoin and its salesmen and
16 representatives made the following statements:

- 17 • During radio broadcasts, they promised offerees and investors God’s blessings for investing
18 and urged to sell property or get a loan if they needed money to invest.
- 19 • At one presentation, they told offerees and investors in attendance that if they invested in
20 MTCoin, they could earn \$12 a day for every \$1,000 invested. Investor funds would be
21 pooled, then MTCoin would purchase bitcoin on investors’ behalf. Investors were supposed
22 to be able to withdraw cash after their account made \$100. MTCoin would keep 20% of its
23 profit brought in from the bitcoin it purchases. If investors brought in new investors, they
24 would get a \$200 commission for each \$1,000 account opened. Investors later learned,
25 however, that MTCoin paid commissions primarily by adding bitcoin value to the investors’
26 account, not by paying cash.

- 1 • At another presentation, they provided offerees and investors with materials about MTCoin
2 that described MTCoin as a safe investment. The materials also listed all the bonuses investors
3 get for bringing in new investors.
- 4 • Several offerees and investors were told that they could also double or triple their MTCoin
5 investment in just a few months.
- 6 • One salesman told several offerees and investors that the federal government had no control
7 over the company because they were using an independent company for their money
8 accounts, making the investment very low risk; he never described any risks.
- 9 • At another presentation, salesmen told offerees and investors that MTCoin investors could
10 earn a return of \$100,000 from a \$20,000 investment. They explained that, in exchange for a
11 \$20,000 investment the investor would get 11 additional accounts as a bonus. With a total of
12 31 accounts earning \$12/day, the investment would be worth over \$100,000 in 269 days.
- 13 • One salesman told offerees and investors at a presentation that MTCoin is a pyramid system
14 where everyone gets paid a portion of the newer investors' money.
- 15 • At a different presentation, two salesmen showed investors and offerees a card like a credit
16 card and said that a month after investing, investors would be able to use the card to withdraw
17 cash. They further explained that for a \$50,000 investment, investors would be able to
18 withdraw \$3,500 cash each month.

19 12. MTCoin offerees and investors were told they would be able to withdraw cash from
20 their earnings in their MTCoin account (with accounts serviced by a company called Coinbase) soon
21 after they invested. Several investors invested as early as March 2017. The investors, however, were
22 never able to withdraw cash from their accounts as promised.

23 13. MTCoin failed to inform subsequent MTCoin offerees investors that previous
24 investors had not been able to withdraw cash from their accounts as promised.

14. MTCoin urged offerees and investors to pay with cash. When a few investors requested to pay with check, MTCoin's representatives insisted that those investors to pay with a cashier's check.

15. MTCoin never disclosed to offerees and investors the risks of investing in MTCoin. These include risks associated with investing in bitcoin/cryptocurrency companies, for example, that bitcoin and cryptocurrency markets are small, speculative markets prone to rapid fluctuations. MTCoin also failed to disclose risks associated with investing with a business with little operating history, a business not registered to do business, or a business that depended on multilevel marketing to generate an income, including, for example, that it will be difficult then impossible to continue adding levels of purchasers/sellers below each layer of existing purchasers/sellers.

II.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

2. Respondent offered or sold securities within or from Arizona, within the meaning of A.R.S. §§ 44-1801(16), 44-1801(22), and 44-1801(27).

3. Respondent violated A.R.S. § 44-1841 by offering or selling securities that were neither registered nor exempt from registration.

4. Respondent violated A.R.S. § 44-1842 by offering or selling securities while neither registered as a dealer or salesman nor exempt from registration.

5. Respondent violated A.R.S. § 44-1991 by making untrue statements or misleading omissions of material facts.

6. Respondent's conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-2032.

7. Respondent's conduct is grounds for an order of restitution pursuant to A.R.S. § 44-2032.

1 8. Respondent's conduct is grounds for administrative penalties under A.R.S. § 44-2036.

2 **III.**

3 **ORDER**

4 THEREFORE, on the basis of the Findings of Fact, and Conclusions of Law, the Commission
5 finds that the following relief is appropriate, in the public interest, and necessary for the protection
6 of investors:

7 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondent, and any of Respondent's
8 agents, employees, successors and assigns, permanently cease and desist from violating the Securities
9 Act.

10 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondent shall, jointly
11 and severally with respondents Sifuentes, Sosa, Herrera and Parra under Docket No. S-21108A-20-
12 0181, pay restitution to the Commission in the principal amount of \$1,162,747 as a result of the
13 conduct set forth in the Findings of Fact and Conclusions of Law. Payment is due in full on the date
14 of this Order. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing
15 account controlled by the Commission. Any principal amount outstanding shall accrue interest at the
16 rate of 10 percent per annum from the date of this Order, subject to any legal offsets, pursuant to
17 A.A.C. R14-4-308(C).

18 IT IS FURTHER ORDERED that the restitution ordered in the preceding paragraph will
19 accrue interest, as of the date of the Order, at the rate of the lesser of (i) ten percent per annum or (ii)
20 at a rate per annum that is equal to one per cent plus the prime rate as published by the board of
21 governors of the federal reserve system in statistical release H. 15 or any publication that may
22 supersede it on the date that the judgment is entered.

23 The Commission shall disburse the funds on a pro-rata basis to investors shown on the records
24 of the Commission. Any restitution funds that the Commission cannot disburse because an investor
25 refuses to accept such payment, or any restitution funds that cannot be disbursed to an investor
26 because the investor is deceased shall be disbursed on a pro-rata basis to the remaining investors

1 shown on the records of the Commission. Any funds that the Commission determines it is unable to
2 or cannot feasibly disburse shall be transferred to the general fund of the state of Arizona.

3 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondent shall pay an
4 administrative penalty in the amount of \$75,000 as a result of the conduct set forth in the Findings of
5 Fact and Conclusions of Law. Payment is due in full on the date of this Order. Payment shall be made
6 to the "State of Arizona." Any amount outstanding shall accrue interest as allowed by law.

7 IT IS FURTHER ORDERED that the administrative penalty ordered in the preceding
8 paragraph will accrue interest at the rate of the lesser of (i) ten percent per annum or (ii) at a rate per
9 annum that is equal to one per cent plus the prime rate as published by the board of governors of the
10 federal reserve system in statistical release H. 15 or any publication that may supersede it on the date
11 that the judgment is entered.

12 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be
13 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
14 shall be applied to the penalty obligation.

15 IT IS FURTHER ORDERED, that if Respondent fails to comply with this order, the
16 Commission may bring further legal proceedings against Respondent, including application to the
17 superior court for an order of contempt.

18 IT IS FURTHER ORDERED removing Respondent MTCoin from the Service List for future
19 filings in this Docket Number.
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IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION


CHAIRWOMAN MÁRQUEZ PETERSON


COMMISSIONER KENNEDY


COMMISSIONER OLSON


COMMISSIONER TOVAR


COMMISSIONER O'CONNOR



IN WITNESS WHEREOF, I, MATTHEW J. NEUBERT,
Executive Director of the Arizona Corporation Commission,
have hereunto set my hand and caused the official seal of the
Commission to be affixed at the Capitol in the City of Phoenix,
this 28 day of April, 2022.


MATTHEW J. NEUBERT
EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Carolyn D. Buck, ADA
Coordinator, voice phone number (602) 542-3931, e-mail cdbuck@azcc.gov.

(RJM)

SERVICE LIST FOR: *My Trader Coin, et al.*

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